

In the Matter of)
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)
CODETEL International Communications)
Incorporated)
)
Application for Authority to Provide)
International Message Telephone Service)
Between the United States and Cuba in)
Accordance the Provisions of Section)
63.18(e)(4) of the Rules)
)

File No. ITC-214-19991220-00781

Released: April 14, 2000

⁴ See *Non Streamlined International Applications Accepted for Filing*, Report No. TEL-00180NS (rel. January 14,

We received no comments or petitions to deny.

III. Discussion

A. Policy Guidelines for Applications to Serve Cuba

3. In a letter dated July 22, 1993,⁵ the U.S. Department of State informed the Commission of the Executive Branch's policy guidelines for implementation of the telecommunications provisions of the Cuban Democracy Act of 1992, which provides that "telecommunications services between the United States and Cuba shall be permitted."⁶ Among the policy guidelines are the following requirements: 1) the proposals must have the potential to be operational within a year; 2) settlements must not be more favorable to Cuba than the current 50/50 split of the \$1.20 per minute accounting rate; 3) proposals must be limited to equipment and services necessary to deliver a signal to Cuba; 4) proposals must utilize modes of communications already in place between the U.S. and Cuba⁷; and 5) carriers shall report the number of circuits activated by facility on June 30 and December 31 of each year and on the one-year anniversary of the FCC authorization.

4. Upon consideration of the Application, we find that a grant of the Application will serve the public interest subject to the conditions set forth below. The Application is consistent with the Executive Branch guidelines set forth in the Department of State letter. CIC states that it would be able to begin carrying traffic within 30 days after authorization because the circuitry is already in place. We therefore find that the proposal has the potential to be operational within a year.

5. CIC states that the settlement rate for the traffic to Cuba shall be \$0.60 per minute delivered, the current U.S.-Cuba settlement rate, which is also the same as the rate paid by CODETEL for its Dominican Republic-Cuba traffic. We find that the proposed settlement is no more favorable to Cuba than the current 50/50 split of the \$1.20 per minute accounting rate for U.S.-Cuba traffic.

6. CIC states that the authority requested is limited to the equipment and services necessary to deliver traffic to Cuba. CIC plans to deliver traffic to Cuba by transiting the Dominican Republic. In a letter dated March 10, 1995, the U.S. Department of State has informed the Commission that it has no objection to the proposed transiting arrangement.⁸ We find that CIC's request for authority is limited to the

2000) (Public Notice accepting the application for filing).

⁵ See Letter from Richard C. Beaird, Acting U.S. Coordinator and Director, Bureau of International Communications and Information Policy, U.S. Department of State to James H. Quello, Chairman, Federal Communications Commission (July 22, 1993) ("Department of State letter").

⁶ See 22 U.S.C. § 6004(e)(1).

⁷ Proposals utilizing new modes of communications will be reviewed by the appropriate agencies on a case-by-case basis, as stated in the Department of State letter. See U.S. Department of State letter at 2.

⁸ See Letter from Ambassador Vonya B. McCann, U.S. Coordinator, Bureau of International Communications and Information Policy, U.S. Department of State to Reed Hundt, Chairman, Federal Communications Commission (March 10, 1995).

equipment and services necessary to deliver traffic to Cuba.

7. CIC's states that its proposed arrangement uses methods of communication already in place between the U.S. and Cuba. Specifically, CIC will lease half circuits to the midpoint in a submarine cable owned by CODETEL to carry traffic between the U.S. and the Dominican Republic. Traffic is handed off by CIC to CODETEL at the midpoint. For the Dominican Republic-Cuba portion, the traffic will use satellite circuits already in use for CODETEL's traffic with Cuba. We find that that this routing arrangement uses modes of communication that are already in place.

8. CIC agrees to report circuit usage to the Commission on June 30 and December 31 of each year and on the one-year anniversary of this authorization.

9. This authorization is subject to CIC's obtaining all necessary licenses and authorizations from the Departments of Treasury and Commerce for the proposed business activity, as described in the Department of State letter.⁹

B. Dominant Carrier Safeguards

10. For each international section 214 application we must examine whether it is necessary to impose the Commission's international dominant carrier safeguards on an applicant in its provision of service on the route or routes for which the applicant seeks authorization.¹⁰ CIC is not presently affiliated with any foreign carrier in Cuba and therefore will not be subject to dominant carrier safeguards on the U.S.-Cuba route at this time.

IV. Conclusion

11. The Commission also considers other public interest factors that may weigh in favor of, or against, granting an international Section 214 application, including national security, law enforcement, foreign policy and trade concerns.¹¹ The Executive Branch has not raised any such concerns with this application and we know of no other countervailing public interest considerations.

12. We find that a grant of CIC's application will serve the public interest under Section 214 of the Act, by increasing competition on the U.S.-Cuba international services route and providing more choices to U.S. consumers.

V. Ordering Clauses

⁹ See Baird letter at 3-4.

¹⁰ The Commission's international dominant carrier safeguards are set forth in Section 63.10(c)-(d) of the Commission's rules (as amended in International Settlement Rates, IB Docket No. 96-261, Report and Order on Reconsideration and Order Lifting Stay, FCC 99-124 (rel. June 11, 1999)).

¹¹ See *Foreign Participation Order*, 12 FCC Rcd at 23919-21, ¶¶ 61-66.

13. Accordingly, IT IS HEREBY CERTIFIED that the present and future public convenience and necessity require a grant of the above-captioned application to the extent specified in this Order. Therefore, IT IS ORDERED that Application File No. ITC-19991220-00781 is GRANTED, and CODETEL International Communications Incorporated ("CIC") is authorized pursuant to Section 63.18(e)(4) of the Commission's rules, 47 C.F.R. § 63.18(e)(4), to provide international message telephone service between the United States and Cuba transiting the Dominican Republic, subject to all current and future Commission regulations, including those specifically listed below.

14. IT IS FURTHER ORDERED that CIC shall comply with the requirements specified in Sections 63.11, 63.14, 63.17, 63.19, 63.21 and 63.22 of the Commission's rules. 47 C.F.R. §§ 63.11, 63.14, 63.17, 63.19, 63.21 and 63.22.

15. IT IS FURTHER ORDERED that the service authorized herein must be implemented within one year from the date of release of this order.

16. IT IS FURTHER ORDERED that this authorization is subject to the applicant's obtaining all necessary licenses and authorizations from the Departments of Treasury and Commerce.

17. IT IS FURTHER ORDERED that this authorization is subject to revocation without a hearing in the event that the Department of State or the Federal Communications Commission determines that the continuation of communications between the United States and Cuba is no longer in the national interest.

18. IT IS FURTHER ORDERED that CODETEL International Communications, Inc. shall file a Section 214 application for any additional circuits it proposes to establish between the U.S. and Cuba.

19. IT IS FURTHER ORDERED that acceptance of this Authorization shall be deemed acceptance of the conditions set forth herein.

20. IT IS FURTHER ORDERED that this authorization, issued pursuant to Section 0.261 of the Commission's Rules, is effective upon release. Petitions for reconsideration under Section 1.106 or applications for review under Section 1.115 of the Commission's Rules may be filed within 30 days of public notice of this order (see Section 1.13).

FEDERAL COMMUNICATIONS COMMISSION

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